

(SRI V. S. PATIL)

the black-market. Sir, I am a small cultivator and I have tried my level best to have Japanese method of paddy cultivation. But, I had to give up the idea because in spite of all efforts to get fertiliser in time, I could not obtain. I had to purchase it in the black-market at double the rate. We do not get the proper weight also. In black-market when we purchase, we cannot ask for a receipt; whatever that is given, we have to use on our land. All this makes it impossible for any one to improve agriculture. I have said this not only here, but when I was in the Bombay Assembly also, I have pointed out this defect. There is absolutely no improvement so far as supply of fertiliser is concerned. Therefore, I request the Minister for Finance to consider whether the agriculturist is able to bear this tax. That is the fundamental principle.

Then, Sir, when the original Bill was moved in this House on agricultural income-tax, I had said on that occasion that the enquiry paper which are done by the taxation officers and the person to be taxed or the assessee, should not be treated as confidential. This confidential matter clause was incorporated in the Income-tax Act (Central Act) because it was done at a time when we were governed by the imperialists. They wanted to see that their incomes or accounts are not at all known to the public. That is why even according to Mr. Thyagi's report, 200 to 300 crores of rupees is not paid to Government as income tax and that much of amount is evaded. This system gives scope for hiding accounts and their income easily. If that clause is removed, if my neighbour gives a false account, I can tell the Government that his income is much more than what he has stated and that the account maintained by him is not correct; now, it cannot be done. I, therefore, request the Hon'ble Minister to see whether this clause could not be removed. There will be certainly improvement in the recovery if this is done.

Regarding other clauses, I need not discuss because several Members have already addressed the House and some other members want to participate in the debate tomorrow. I therefore, conclude.

MR. DEPUTY SPEAKER.—Now, half-an hour discussion.

6-P.M.

Half-an-hour discussion on question No. 669 *re*: Land Revenue Assessment in the Bombay Karnataka area of the State.

SRI V. S. PATIL.—Sir, this discussion relates to a question No. 669 which I asked in this House and to which the Hon'ble Minister was pleased to give a reply. But the most important aspects of the question remains to be discussed. We expect not only an equitable levy of assessment but also equal levy in all respects. There should not be any sort of discrimination or distinction between persons residing in the area of the state and another. How this discrimination arises can be easily seen from the levies or assessments levied and collected in our State. So far as

the Bombay Karnataka area is concerned, the levy that are recovered from our people classed as land revenue, water rate, local body cess, irrigation cess, etc. Under these different names, different levies have been imposed in our area. Comparatively, if we take the other area of the State, it will be seen that so far as irrigation cess is concerned, in the Bangalore division it is 6 nP. per rupee; in Mysore division it is the same. In Coorg district, there is no levy at all. So also in South Kanara there is no levy. In Belgaum district, the irrigation cess is Rs. 4 to 22.50 per acre per annum. In Gulbarga division also, there is no such levy. It will, therefore, be seen that the people of the Bombay Karnataka areas have been taxed very heavily. This is abnormal. Even though the State has been integrated in 1956, this discrepancy in the levy of tax is continued and has not been corrected.

Similarly, the water rate also varies. In the Bangalore division, it ranges from Rs. 5 to 18 per annum per acre. In the Mysore division, it is from Rs. 5 to 14 and in Coorg it is 50 naye Paise to 1 rupee. In South Kanara it varies from Rs. 2.50 to 8 per acre. In Belgaum district it is from Rs. 1.31 to 60. In Gulbarga division it is Rs. 4 to 12. The discrepancy is terrible. In the Belgaum division, according to the new rules of irrigation, the tax is not only per year but per season. In the Bombay Karnataka area, under the big projects, the taxation has been per crop, that is, per season. For every crop, there is a different assessment. The highest assessment comes to Rs. 120 per acre for sugarcane. The break up is : for water Rs. 37, for kharif Rs. 16 and for Rabi Rs. 27. That comes to Rs. 80 per year if a person raises all the three crops. This is really startling, unjust and improper. I would like to bring to the notice of the Hon'ble Minister that when we pass these two bills, the surcharge bill of 1961, and the amending surcharge bill of 1962, it will result in heavy taxation. In Clause 2 land revenue has been defined as including all this land revenue, judi, etc., water cess, water rate or irrigation cess payable towards water supply. The Rs. 15 upper limit has been calculated or interpreted by the Government officers to mean that individual cess must not be more than Rs. 15. They have split it up and they have taken each item individually. If a particular cess is less than Rs. 15, there is surcharge. This has never been intended by the Legislature. But it has been forced upon the people of the area even though we are paying several times more than what is paid by the rest of the State. Still we have been charged for surcharge separately, for water rate, irrigation etc. I do not understand the reason. It may be due to the greed of the Government to collect as much as possible by any means. It is completely unjust, inequitable and is causing too much of harm to our people. Supposing a man pays Rs. 120 for water cess, if the land assessemrnt is Rs. 475, he has been charged surcharge. This is analagous and absurd. Similarly, even though we have made provision in this act making certain exemptions under sub-section (2) of Section 3, it is completely ignored by the revenue officers. They never even take into consideration what will be the effect of this and I submit that was not the intention when we passed this Bill.

(SRI V. S. PATIL)

Our people from the North Karnatak are being taxed heavily as compared to the other States. Not only that, but the merged territories and areas in North-Karnatak are the greatest sufferers so far as this taxation is concerned, because already in this area taxation was far more than the rest of the Taluks or Villeges or Districts. It was quite heavy. But in spite of that the wording that is used here is rather strange. As a concrete example, I can say, that supposing in the rest of the area if the assessment was Rs. 4 per acre, in the merged territory it was Rs. 9 per acre. According to the interpretation of this Act, it is Rs. 18 from the merged territory and Rs. 8 from the rest of the State. This again anomalous. Why the people of the merged territory should suffer again? They are already paying heavy taxation on land revenue, because their land revenue consists not only revenue on the assessment, but it is an amalgamation or sum-total of the land revenue. The water rate that was allowed when the original survey took place in 1885 or so, at that time they have not separately taxed these people for water, irrigation cess, etc. All those rates were amalgamated and then the assessment was fixed and it comes to about Rs. 10 to Rs. 14 per acre. As it is, it will be Rs. 15. Those people have to pay double the amount, while the rest of the people in the area have to pay less. I would like to submit to the Hon'ble Minister for Revenue that even though we have included in sub clause (2), it has become ineffective. The intention of the legislature has not at all been carried out. So, some changes in the Act must be made and some equitable relief must be given. The tax must be equitable and.....

Sri V. M. DEO (Gubbi).—Does the Hon'ble Member maintain that in that merged area even though irrigation facilities are not provided, the assessment is charged as though irrigation facilities are provided?

Sri V. S. PATIL.—At the time when the original survey took place in the last century, the classifications of the lands were made and the assessment was fixed on several grounds, viz., nearness of the market, fertility of the soil, rainfall, then availability of labour and in addition, availability of irrigation water from sources which are permanent. From that point of view, even if you take the water from a Nala or Tank or a spring, all those considerations were taken into account and they have charged something like Rs. 2 to Rs. 3 per acre for this water source and it is included in the land assessment. It is not separately kept. Now, it has become only land assessment. In the dry areas, that is not the case. Only assessment is fixed in the dry areas. Taking note of the various factors enumerated, in our area the irrigation cess or water rate is included in the land assessment and that is why the rate is higher. Even though that rate is higher, now according to this surcharge, we have been taxed double. Already we were paying $1\frac{1}{2}$ time what the others are paying or even double the amount of what the land-holders of the rest of the State are paying. Still, we have to pay double now under the surcharge. It is the greatest injustice done and is an anomaly.

That is why I request the Hon'ble Minister to see that equitable legislation is brought before the House and justice is done to all the areas. I am not asking for any reduction or remission, but I am asking for justice and that is why I have brought this question before the House. Even the water cess or rate which is being levied ranges in Belgaum from Rs. 22.50 to Rs. 120, while here the rate is only 10 or Rs. 5 for the whole area. This is really an anomaly and that is why I say that this anomaly must be removed early. So far as surcharge matter is concerned, some concession, equitable concession must be given to the people who are being taxed so heavily. That is the only thing which I should like to bring to the notice of this House and I am trying to seek justice at the hands of the Government.

Sri M. V. KRISHNAPPA (Minister for Revenue).—Sir, the other day when the Hon'ble Member, Sri V. S. Patil put the question I have amply replied. Of course, I told him that there are no such higher rates in Bombay Karnatak compared with the other areas of Mysore State. I gave certain examples. The comment or belief that only in Bombay Karnatak the land revenue rates are higher is not quite correct. Of course, there is bound to be some difference. I do not totally deny that the rates are uniform all over the State. As you know, Karnatak has been formed out of the five bits of territories that have come from five different States, where different laws existed. Different methods of classification and things like that were there. They were all ruled by different systems of Government. So, there is bound to be little difference. That we have to admit. But, to exaggerate it and say that only in Bombay Karnatak the rates are very high, is not quite correct. That day I replied that very soon, within about 18 months, there is going to be a scientific and uniform basis throughout the Mysore State while fixing this land revenue and water rates also. 75 per cent of the survey settlement work has almost been completed. The remaining 25 per cent will be completed in the course of this year and a legislation is also necessary. All that may take about 1½ years and by that time we would be able to bring in an uniform rate of land revenue according to the classification of soil. If people of Bombay Karnatak are paying a little higher rate, we cannot help. They have to pay for a year or two. I quoted that day the figures. I have taken an example of one place from each area. In Hyderabad Karnatak, I have taken Raichur, in Bombay Karnatak Dharwar and Belgaum, in old Mysore Kolar and in Madras Karnatak, South Kanara District. I am prepared to place the details on the Table of the House. The rates do not show that the Bombay Karnatak rates are higher than these charged in the other areas.

For example, the minimum rates I may give in respect of day assessment relating to one district in each integrated area. In Belgaum representing Bombay-karnatak the dry assessment is Rs. 1-1-6 per acre; In Raichur representing Hyderabad Karnatak, the dry assessment is Rs. 1-8-0 per acre, in South Kanara representing Madras region, the dry assessment is Rs. 1-8-0, in Kolar representing old Mysore area, the assessment is Re. 0-15-0. If we compare the soil fertility of the Kolar

(SRI M. V. KRISHNAPPA)

area with the beautiful black-cotton soil obtaining in Belgaum region, especially in Nippani, we can easily say that one acre of that area is equal to 5 to 6 acres of Kolar district. If the people of Belgaum area pay a little higher assessment, it is because your ancestors went and settled down in areas where the soil fertility is higher and naturally when the soil is richer and more fertile, you have to pay rates of land revenue commensurate with the fertility of the soil. If we in the Kolar region pay a little less, it is because my ancestors did not select areas where the soil was so good. There are certain areas in old Mysore, particularly in Tumkur district, for instance Pavagada. There is a relative of mine in Pavagada who has 5000 acres and he pays assessment at the rate of annas two per acre. All the land is gomal land, in Pavagada there are land-lords owing 300 to 400 acres. They pay at the rate of 3 annas to 4 annas per acre. So, nearness to the market, soil fertility, railway facilitation-these are the factors that have to be applied in fixing the land assessment and when they are applied and assessment fixed, perhaps there would be no room for complaint afterwards. Till then, if there is any anomaly in the assessment, it can only be attributed to the fact that these different areas have been merged into this State and we have promised this House that we are prepared to issue directions to the local officers wherever necessary. The Hon'ble Member Sri V. S. Patil has brought to notice and some of his friends have also stressed this point, that there are some anomalies. We are trying to amend the rules to see that whatever excess that has been collected is paid back to the farmers. Even the Act provides that this surcharge should not apply to holdings below five acres. The legislation had to be passed as an emergency measure and by that time the collection of land revenue had started in many parts of the State. So, collection went on and it has come to the notice of the Government that they have collected land revenue surcharge even in the case of those people who have got less than five acres. I have assured them in such cases whatever excess has been collected from such farmers will be adjusted and no collection would be made from them again.

About the point made by Sri V. S. Patil that water rates are unduly high in Northern Karnatak as compared to the very low rates in old Mysore area, I should say that there are isolated cases. For instance, in the Ghataprabha and other areas, farmers are paying very high rates, and there are sufficient reasons. But it is not quite correct to compare the water rates under Ghataprabha with those in the old Mysore area, because here in Mysore, the history of our irrigation is quite different. There are thousands of tanks in the old Mysore area, particularly in Bangalore, Kolar, Tumkur and Chitaldrug which were built hundreds of years ago if not one thousand years back. There are tanks built by Kadambas, by Cholas and Pallavas and subsequent to that, they went on repairing those tanks. Most of these tanks were built more than 1000 years ago. There was no case of building a dam at all. In many cases,

it is possible some tanks might have been built by forced labour or voluntary labour. So, hundreds of acres of land was being irrigated and in order to augment the sources of income to the State, they went on imposing some water rate. This was the system that existed in old Mysore area. Whereas, Ghataprabha project was executed by the old Bombay Government and naturally the then rulers kept a very scrupulous account of every pie that was spent on the project and they also calculated interest on that money say at the rate of 3 to 3½ per cent and they wanted to recover the whole amount from the people by imposing this water rate. Those rates cannot therefore be compared with the water rates which exist in old Mysore area since probably a thousand years. Again under the Krishnarajasagar which is a dam built about 30 years ago, Government spent about 3 crores of rupees on that project and all that money was collected from the farmers. The beneficiaries under this project—people holding lands in Mandya, Mysore District, paid a contribution at the rate of Rs. 150 per acre. They have contributed to the expenses for constructing the dam and therefore the water rates prescribed are a little less. Whereas in Ghataprabha, without forgetting a single pie of the expenditure, the then Government of Bombay has calculated and they have levied the water rates. So, if the water rates are a little low in the Mandya District, it is because the farmers have already paid for the building of the dam. If Ghataprabha people are paying higher water rates, they did not pay for the building of the dam at that time. Not that I want to defend the position and say that what those people are paying is very reasonable. I consider that a levy of Rs. 120 per acre in the shape of water is too high and it admits of reduction. A day will soon come when the Government will take into account all these things and they will try to evolve a uniform rate based on certain rational considerations.

Sir, having said so much, I trust that I have succeeded in dispelling the impression that the rates are very high in North Karnatak as made out by Sri V. S. Patil. As I said similar high rates prevail in other areas of the State, Raichur, South Kanara and Kolar. But this much, I can assure him, that very soon, within about one and a half years, we are going to bring uniformity of rates according to certain scientific basis—soil classification, rainfall, soil fertility, marketing facilities, etc., and whatever anomalies there may be in the Land Revenue Cess Act, Government are going to see that they are removed.

Mr. DEPUTY SPEAKER.—The House will now rise and meet tomorrow at 8-30 A.M.

The House adjourned at Thirty Minutes past Six of the Clock to meet again at Thirty Minutes past Eight of the Clock on Saturday, the 21st September 1963.
